

NOTICE OF ANNUAL MEETING OF THE MEMBERS FOR  
THE SPRING VALLEY WATER SUPPLY CORPORATION

MARCH 3, 2020

The 2020 Annual Meeting of the members of the Spring Valley Water Supply Corporation will be held at the Aqua offices located at 7025 Sanger Drive, Waco, TX 76710. The meeting will start at 6:30 pm on March 3, 2020.

**Agenda for the Annual Meeting of the Members**

1. Meeting called to order
2. Read and approve the minutes from the previous Annual Meeting.
3. Award scholarships
4. Door prize drawing
5. Auditor's Report presented by Pattillo, Brown, & Hill
6. Report on the water system
7. Reading of the resolution of the Board of Directors declaring election of unopposed Candidates
8. Introduction of Directors
9. Open or public forum
10. Closing comments by the President
11. Meeting is adjourned


After the adjournment of the member meeting, the Board of Directors will hold a regular business meeting to discuss and possibly act on items as specified in the agenda posted for the Directors' Meeting.

**Public Comments:** Pursuant to the Texas Open Meetings Act and Bylaws of Spring Valley WSC, the Board reserves the right to impose reasonable limits on the number of speakers and other reasonable limitations on public comments. In accordance with the Texas Open Meetings Act, the Board will not act on, deliberate, or discuss at the meeting any public comments brought before them at this time; Provided, however, that the Board may (A) make a statement of specific factual information given in response to an inquiry; (B) recite existing policy in response to and inquiry; or (C) propose to place the subject on the agenda for a subsequent Board meeting.

**Persons with Disabilities:** Persons with disabilities who plan to attend the meeting and who may need auxiliary aids or services are requested to call (254) 776-1999, at least two (2) business days prior to the meeting so that appropriate arrangements can be made.

Dated: February 6, 2020

By: \_\_\_\_\_

  
Humberto Hernandez for SVWSC

**SPRING VALLEY WATER SUPPLY CORPORATION  
REGULAR MEETING OF BOARD OF DIRECTORS**

March 3, 2020

Page 1 of 2

**NOTICE OF MEETING**

Notice is hereby given that a meeting of the Board of Directors of Spring Valley Water Supply Corporation ("Spring Valley WSC" or the "Corporation" will be held on **Tuesday, March 3, 2020** immediately following the Spring Valley WSC Annual Meeting that starts at **6:30 p.m.** in the Aqua offices located at **7025 Sanger Avenue, Waco, TX 76710** to consider and act upon the following matters:

1. Call to order, roll call, and determination of quorum.
2. Recognition of visitors.
3. Public Comments – Members or visitor will be given the opportunity to address the Board with comments or concerns about the operations and maintenance of the water system. Due to time constraints, public comments will be limited to two (2) minutes per speaker, subject to the President's discretion. See notes below. Any item requiring action will be placed on the agenda for the next Board Meeting.
4. Review and approve minutes from the previous Board Meeting.
5. Review and possible action on any meter request
6. Tabor Engineering – Update on projects
7. Discuss and possible action: Waiver of fees on four water meters in our CCN currently serviced by Lorena to revert to SVWSC
8. Financial Statement Review by Frank Alexander
9. Regular update on Bluebonnet Water Supply and possible action
10. Questions to the Board by Aqua Texas representative concerning general operational issues
11. Discuss and possible action: Appointment of a Director to fill a vacancy on the Board
12. Discuss and possible action: Updating signature cards on the SVWSC bank accounts
13. Water system operations report by representative of Aqua Texas (no action to be taken by the Board), including the following: (A) operations report; (B) water usage and accountability; (C) facilities, equipment, and repairs; and (D) financial report.
14. Review and approval of monthly bills for payment of expenses of Spring Valley WSC.
15. Adjourn into Executive Session if needed as allowed by Texas Government Code Section 551.074.
16. Reconvene into Public Session. Discussion and possible action regarding matters discussed in Executive Session.
17. Set time and place for next regular meeting of the Board, Tuesday, April 9, 2019, at the Aqua office located at 7025 Sanger Avenue, Waco, TX 76710.
18. Adjourn

**Public Comments:** Pursuant to the Texas Open Meetings Act and Bylaws of Spring Valley WSC, the Board reserves the right to impose reasonable limits on the number of speakers and other reasonable limitations on public comments. In accordance with the Texas Open Meetings Act, the Board will not act on, deliberate, or discuss at the meeting any public comments brought before them at this time; Provided, however, that the Board may (A) make a statement of specific factual information given in response to an inquiry; (B) recite existing policy in response to and inquiry; or (C) propose to place the subject on the agenda for a subsequent Board meeting.

**Executive Session:** Spring Valley WSC reserves the right to adjourn into executive/closed session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by the Texas Open Meetings Act, including, without limitation, Texas Government Code Sections 551.071 (consultation with an attorney), 551.072 (deliberations about real property), 551.073 (deliberations about gifts or donations), 551.074 (personnel matters), 551.076 (deliberations about security devices), and 551.086 (economic development). No final action, decision, or vote will be taken on any matter in executive/closed session.

**Persons with Disabilities:** Persons with disabilities who plan to attend the meeting and who may need auxiliary aids or services are requested to call (254) 776-1999, at least two (2) business days prior to the meeting so that appropriate arrangements can be made.

Dated: February 28, 2020

By:   
Humberto Hernandez for SVWSC

Spring Valley Water Supply Corp.  
Regular Meeting of the Board of Directors  
February 11, 2020

Page 1 of 5

President	Larry Hobbs
Secretary	Bert Hernandez
Treasurer	Darrell Bledsoe
Director	David Morrison
Director	Zandy Goode
Director	Gerald Theut -- Absent
Director	Steve Roy -- Absent

**ITEM 1. CALL TO ORDER, ROLL CALL, DETERMINATION OF QUORUM**

The meeting was called to order at 5:15 p.m. by President Larry Hobbs with a quorum present.

**ITEM 2. RECOGNITION OF VISITORS**

There was one visitor, Mr. Lanny Lewis.

**ITEM 3. PUBLIC COMMENTS**

There were no public comments.

**ITEM 4. REVIEW AND APPROVE MINUTES FROM PREVIOUS BOARD MEETING**

The minutes were reviewed and a motion was made by David Morrison to approve the minutes from the previous BOD meeting. Darrell Bledsoe seconded the motion. The vote was taken and all approved the motion.

**ITEM 7. TABOR ENGINEERING – UPDATE ON PROJECTS**

David Morrison made a motion to move Item 7 up on the agenda. This motion was amended by Larry Hobbs to include moving Item 6 to follow discussion of Item 7. Zandy Goode seconded the amended motion. It passed by unanimous vote.

Johnny Tabor reported that he was still working on the hydraulic analysis and that other than that, there were no projects underway to report on. This was acknowledged and discussion then moved to Item 6.

**ITEM 6. UPDATE ON MICHAEL DEUTSCHMAN ISSUES**

Larry Hobbs reported on a meeting he had with Lorena involving three homes with four meters that had been grandfathered into the Lorena water system but were actually within the SVWSC service area (CCN).

The result of the meeting was to come to the conclusion that it would be best for all parties if SVWSC serviced those meters now being service by Lorena. After the meeting Larry Hobbs asked Tabor Engineering to study the situation and come up with a recommendation for the best way to provide service to those meters so a decision could be made on proceeding with this action.

Johnny Tabor made a presentation on running a 4-inch line from Southern View up Pilgrim Lane to service the four meters. The cost estimate was \$70,000. There was discussion on why this was the best, least expensive way to achieve servicing them . One conclusion from this examination of the proposal was that additional meters could be added to the system that currently could not be added. The line extension that was being discussed would not extend to the Deutschmann property but would resolve the problem the PUC has with SVWSC that the Deutschmann issue illuminated which was Lorena servicing meters within the SVWSC CCN.

David Morrison then made a motion to authorize Tabor Engineering to proceed with a full engineering study for the line to service the meters currently being served by Lorena. Bert Hernandez seconded the motion. The motion was voted on and passed unanimously.

**ITEM 5. REVIEW AND POSSIBLE ACTION ON METER REQUESTS**

There was one meter request from Robert Walton . The addition of the meter was discussed and elaboration was given by Johnny Tabor on his engineering study. The Board agreed to accept the Engineer's recommendation to approve the meter request. A motion was made by Darrel Bledsoe to that effect and was seconded by Bert Hernandez. The motion was voted on and passed unanimously.

**ITEM 8. DISCUSS AND POSSIBLE ACTION: WORK GROUP REPORT TO THE BOARD**

The work group consist of Larry Hobbs, Bert Hernandez, Zandy Goode, and David Morrison. The work group met on February 10, 2020 at 1:30 pm at the Aqua Office to engage in analysis, discussion, and setting priorities to present to the Board. Zandy Goode made the report for the Work Group to the Board. Priorities identified were: #1 – the line extension on Pilgrim Lane, #2 – upgrade the plants, #3 – address the 85% utilization constraint by obtaining more water, and #4 – upgrading the system to receive and deliver the additional water. The Work Group at this time felt that Bluebonnet would be the best source of additional water and this was discussed. Financing the improvements was discussed and Larry Hobbs suggested a USDA loan because it would give some protection to our CCN. The next Work Group meeting was set at 1:30 pm on Tuesday, February 25, 2020.

**ITEM 11. REGULAR UPDATE ON BLUEBONNET WATER SUPPLY AND POSSIBLE ACTION**

A motion was made by Larry Hobbs to move Item 11 up on the agenda due to relevance to Item 8. The motion was seconded by Bert Hernandez and it passed by unanimous vote.

Darrell Bledsoe and David Morrison attended the last Bluebonnet meeting. They arrived early and were given a Bluebonnet plant tour for familiarization purposes. At the meeting SVWSC's need for water was brought up and Darrell Bledsoe was informed that Bluebonnet would supply up to 450 gpm with no increase in the minimum payment which is based on the present 289 gpm. This would assist in compliance with the 85% rule and would be a solution to sourcing more water. Delivery of 450 gpm could be made with the existing line to SVWSC if Bluebonnet would upgrade their pump station.

Bluebonnet would make application for us for a reduced usage waiver which would be based on the last three years' daily usage. This would help both us and Bluebonnet since currently our 85% rule compliance is based on .6 gpm per connection. A reduction from .6 gpm would mean we were at less capacity utilization than the regulation calculation currently has us at. It would also help Bluebonnet because their treatment plant capacity had to be calculated on their members' regulatory based capacity calculations. Darrell Bledsoe brought the forms and all were in agreement to prepare and submit them to Bluebonnet to try to obtain the reduced rate waiver. Larry Hobbs made a motion to prepare and submit the forms to Bluebonnet. Zandy Goode seconded the motion, and on vote, it passed.

**ITEM 9. FINANCIAL STATEMENT REVIEW BY FRANK ALEXANDER**

Frank Alexander provided the Board with the current financial statements and reviewed them with the Board. A motion was made by Darrell Bledsoe to approve the financial report. It was seconded by Bert Hernandez. All were in favor and none opposed. The motion carried.

**ITEM 10. DISCUSSION AND POSSIBLE ACTION: ADOPTION OF A 2020 BUDGET**

Frank Alexander reviewed the proposed budget that had been presented to the Board last month. One request was made that in the coming year tracking would be done on the System Development account separately so that as the system improvements were put in place, they could be more easily identified and would serve as a development budget for the Board. Bert Hernandez made a motion to accept the proposed budget. David Morrison seconded the motion and it passed unanimously.

**ITEM 12. DISCUSS AND POSSIBLE ACTION: APPOINTMENT OF DARRELL BLEDSO TO REPRESENT SVWSC AT BLUEBONNET MONTHLY MEETINGS AND DAVID MORRISON AS ALTERNATE REPRESENTATIVE**

The motion was made by Larry Hobbs and seconded by Bert Hernandez. All approved the motion and the motion passed.

**ITEM 13. DISCUSSION AND POSSIBLE ACTION: AUTHORIZATION TO PAY BILLS**

On review, the motion was made by Zandy Goode and seconded by Larry Hobbs to authorize payment of bills in February 2020. All were in favor, the motion passed.

**ITEM 14. QUESTIONS TO THE BOARD BY AQUA TEXAS REPRESENTATIVES CONCERNING OPERATIONAL ISSUES**

There was one question regarding changes on signatories on the SWVSC checking accounts and after being informed of what was needed, the Board determined to place this on the agenda for the next business meeting of the Board.

**ITEM 15. WATER SYSTEM OPERATIONS REPORT BY REPRESENTATIVE OF AQUA TEXAS (NO ACTION TO BE TAKEN BY THE BOARD) INCLUDING THE FOLLOWING: (A) OPERATIONS REPORT; (B) WATER USAGE AND ACCOUNTABILITY; (C) FACILITIES, EQUIPMENT, AND REPAIRS; AND, (D) FINANCIAL REPORT**

Mark Kocian reviewed the Directors' Operations Report with the Board.

He reported that the large leak at Rancho Lorena had been located and fixed.

**ITEM 16. REVIEW AND APPROVE THE RESOLUTION OF THE BOARD OF DIRECTORS DECLARING ELECTION OF UNOPPOSED CANDIDATES**

Larry Hobbs read the Resolution of the Board of Directors Declaring Election of Unopposed Candidates dated February 11, 2020. The two candidates were Zandy Goode and Gerald Theut. The motion was made by Bert Hernandez to approve the resolution and was seconded by Darrell Bledsoe. A vote was taken and the motion passed unanimously.

**ITEM 17. DISCUSS AND POSSIBLE ACTION: SCHOLARSHIP FUND UPDATE**

There will be \$3,000 in scholarship funds available to distribute and there are seven applicants for those scholarships.

**ITEM 18. DISCUSS AND FINALIZE PLANS FOR THE ANNUAL MEMBERSHIP MEETING**

The meeting will be at the Aqua Office at 6:30 pm on Tuesday, March 3, 2020. Snacks will be made available for those attending.

**ITEM 19. ADJOURN INTO EXECUTIVE SESSION IF NEEDED AS ALLOWED BY TEXAS GOVERNMENT CODE SECTION 551.074**

No Executive Session was required.

**ITEM 20. RECONVENE INTO PUBLIC SESSION. DISCUSSION AND POSSIBLE ACTION REGARDING MATTERS DISCUSSED IN EXECUTIVE SESSION**

No Executive Session was convened.

**ITEM 21. SET TIME AND PLACE FOR THE NEXT REGULAR MEETING OF THE BOARD**

The next meeting will be Tuesday, March 3, 2020 immediately following the Annual Members' Meeting. It will be held at the Aqua Texas office at 7025 Sanger Avenue, Waco, TX, 76710.

**ITEM 22. ADJOURN**

A motion was made to adjourn by Bert Hernandez and was seconded by Larry Hobbs. All were in favor and none opposed. The motion carried and the meeting was adjourned.